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SUBJECT: IAEA/IRAN: LIKE-MINDED AMBASSADORS REGROUP POST-NIE

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Classified By: Ambassador Gregory L. Schulte for reasons  
1.4 b, d and h

Summary

1. (S) In the aftermath of the Iran NIE our priority in Vienna has been to maintain IAEA and Board member government pressure for full disclosure of Iran's past activities and compliance with UNSC requirements. Like-minded Ambassadors shared concerns about the NIE and next steps on Iran in a December 6 strategy session. Ambassador Schulte underlined that the NIE findings reinforce the lack of confidence in Iran's nuclear program. The UK and France downplayed the significance of the NIE but Japan expressed concern that we not underestimate its impact on the Secretariat, the NAM and Iran. Like-minded Ambassadors shared concerns about the Secretariat's methodology on the work plan, the lack of

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transparency, adherence to deadlines and possible equivocation in reporting to the Board in January. At the same time, they agreed that the work plan should not be given overarching importance as it is only a small part of the larger issue of confidence; that a "confession" about the past is insufficient and that Iran needs to make a strategic decision to abandon any nuclear weapons option. As to next steps in the UNSC, the French favored quick adoption of a new UNSCR, and Japan reported the DG's opposition to a Security Council resolution. Like-minded Ambassadors were uneasy about the prospect of the DG's trip to Tehran and complained about his public statements that they felt could undermine the safeguards system. End summary

Comment

2. (S) While the NIE has taken some wind out of our sails in Vienna, we plan to refocus the Vienna diplomatic community and the IAEA on the finding of "high confidence" that there was a nuclear weapon program in Iran up until 2003. This coincides with the inspectors' upcoming (week of December 10) trip to Tehran to hopefully receive Iran's answers to questions regarding "contamination," the Gachin mine, polonium 210, and, most importantly, the alleged studies. While we have little expectation that Iran will admit the military dimension of all those items, we need to ensure that the DG does not close these issues or even declare that Iran's information is "not inconsistent with" the Agency's

findings as he has with the plutonium and centrifuge issues. Then we would be at odds not only with Iran, but with the DG and his many supporters.

¶13. (S) We and our close allies in Vienna will continue to insist that the IAEA's credibility is at stake, even more so now that the findings of the NIE have been made public. Iran still has no credibility regarding the history and original purposes of its nuclear program. Until those are fully disclosed there can be no confidence in its current program -- Iran will remain in non-compliance with its safeguards obligations and the confidence building measure of suspension of proliferation sensitive activities will still be required to overcome the "confidence deficit." Only with full disclosure and adherence to the Additional Protocol will the Secretariat be able to conclude, to the satisfaction of the

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Board, that Iran's nuclear program is exclusively for peaceful purposes. Until then, the questions about Iran's program which arose and caused the Board to report Iran's file to the Security Council, as the organ bearing the main responsibility for the maintenance of international peace and security, remain unresolved.

Recommendation

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¶14. (C) Mission recommends a demarche to Board members focusing them on the NIE finding of the original military purposes of Iran's program, and calling on members to insist on full disclosure from Iran as the only way to begin to resolve the impasse. We will continue reminding the IAEA leadership of the DG's announced intention to have the work plan largely resolved by year end, and the risk to the IAEA's credibility if it allows Iran now to waffle on its work plan obligations.

Impact of the NIE

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¶15. (C) Ambassador Schulte hosted a meeting of like-minded counterparts, EU-3 plus Australia, Canada and Japan December 6 to discuss the implications of the NIE and next steps on Iran. Ambassador Schulte dispelled rumors that the timing of the release had been politically motivated, and clarified that the process was driven by intelligence and a Congressional mandate. Mission highlighted certain judgments: less confidence since mid-2007 that Iran had not restarted its nuclear weapons program, which also coincided with the Agency's diminishing knowledge of Iran's current activities; Iran's continued development of dual-use technologies while keeping open the option of a nuclear weapons program; the timeline for Iran to produce sufficient fissile material for a weapon had not changed since the 2005 NIE; and the fact that the 2003 halt as well as suspension of enrichment and implementation of the AP at that juncture were the result of concerted international pressure.

¶16. (C) UK and French Ambassadors downplayed the significance of the NIE, but Japan was more circumspect. UK Ambassador Smith observed that the NIE changed nothing on fundamental questions, such as the lack of confidence and any economic rationale for Iran's enrichment program. Ambassador Schulte agreed that the NIE's findings reinforce this fundamental lack of confidence. In France's view, the NIE's focus on Iran's intentions as opposed to facts is misplaced. French Ambassador Deniau underlined the fact that Iran had a covert program; that enrichment had no economic rationale and that Iran had consistently developed dual-use aspects of the fuel cycle. He highlighted the first key judgment in the NIE confirming that Iran had a military program as an important new element. Deniau disagreed with the Estimate's definition of a nuclear weapons program limited to covert activities since dual-use technology could be so applied. German Ambassador Gottwald also noted the NIE's assessment of Iran's continuing to develop dual-use technology.

¶7. (C) Japanese Ambassador Amano cautioned that the NIE's negative impact and willful misinterpretation by the Secretariat and the NAM should not be underestimated. There

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is a tendency to see the U.S. administration as divided and to focus on the assessment that Iran does not now have a nuclear weapons program. DCM reported that the Secretariat is also concerned the NIE accentuated the sense of triumphalism in Iran and called in the Iranian Ambassador to reiterate the end 2007 deadline for the work plan.

Secretariat Not Playing Ball

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¶8. (C) The IAEA's November correspondence with Iran on P1/2 issues and the U-metal document, the former of which the IAEA "removed from the list of outstanding issues," caused consternation among like-minded Ambassadors. Nuclear Counselor noted that while the IAEA cast the letters as a bureaucratic step necessitated by the sequential nature of the work plan, Iran had used them to declare the issues "closed." Smith was "singularly unimpressed" by the Secretariat's handling of the letters, and took issue with

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the use of language that differed from that used by the DG in reporting to the Board. He understood that the letters were not intended to be categorical and DDG Heinonen had told him that he could revert to P1/P2 issues in dealing with the uranium contamination issue. Deniau observed that the Secretariat's behavior demonstrated a lack of transparency

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and institutional difficulty; when asked for the letters, the Secretariat had claimed they were confidential and no

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different from the DG's report, only to have Jalili spring them on Solana in their November 30 meeting. (Note: The EU-3 will demarche the DG separately regarding the incident with Solana, and Ambassador Schulte has already raised the issue (ref b). End note).

¶9. (C) For the French, P1/P2 remained an outstanding issue. French DCM Gross questioned the Secretariat's methodology, and its apparent lowering of standards in the context of the work plan. He noted that Iran had not answered all the questions and had not provided access to a single individual outside AEOI, nor to archives or facilities despite the numerous references to military and other agency involvement in nuclear activities. Gross worried that once it confronted Iran with intelligence regarding the alleged studies, the Secretariat would accept Iran's responses without requiring

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follow-up. He underlined that the Board must give an independent judgment of the work plan. Nuclear Counselor also expressed concern that the Secretariat could deal with the remaining outstanding issues in the same way as it had plutonium and P1/P2 issues, and simply declare Iran's non-answers to be "consistent."

¶10. (C) UK Msnoff noted that it was unclear whether or not the Secretariat would report to the Board in January. Heinonen had said that he expected Iran to address contamination issues, alleged studies and the AP before Christmas. If not, the DG would report in January. If the Secretariat was satisfied, however, there might not be a

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report. The UK understood that the Secretariat was using the prospect of a report as leverage on Iran, but was still uneasy about this equivocating and leaving the decision to the Secretariat. Japanese Ambassador Amano observed that Heinonen's technical briefing prior to the November Board had

been extremely frank and useful on points such as the fact that items related to the 1993 offer had originally been ordered by Libya and were diverted to Iran instead. He suggested that the Secretariat distribute Heinonen's power point presentation and follow up with another briefing. (Note: The Secretariat refused Msnoff's request for a copy of this presentation, which we have reported in detail via email. End note.)

#### Confession is Not Enough

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¶11. (C) Ambassador Schulte recounted that when he informed the DG about the NIE, he had emphasized the importance of the work plan and pushing Iran for a "confession." Gottwald observed that we cannot leave any impression that the NIE lessened the relevance of the work plan and must continue to demand clear answers. At the same time, confidence cannot be rebuilt absent the AP and the re-establishment of a robust verification regime. He underlined the need to remain united and not give Iran any absolution.

¶12. (C) Ambassador Smith was lukewarm about a "confession" from Iran. A confession would only address the past, not the future and would also require some "penance" from Iran to redress fundamental concerns about its nuclear program, he argued. Amano noted that we should not be satisfied with a "confession" about the past when what was needed was a strategic decision from Iran. Smith observed that we must strike a fine balance between adherence to the deadline for completion of the work plan, and giving the impression that the work plan is all important. The work plan is only a small, necessary but insufficient part of building confidence, he noted. Ambassador Schulte agreed that even as we press the Secretariat to maintain deadlines and standards, the work plan is still only one element; current programs must be addressed through implementation of the AP and Code 3.1. Australian Ambassador Shannon was likewise concerned that the work plan had come to dominate the international debate, and that we must move beyond the history, which created the lack of trust and confidence, and focus on the present. He underlined that Iran's violation of its Chapter VII obligations jeopardized the UN Charter.

#### Next Steps in the UNSC

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¶13. (S) Deniau relayed Solana's oral report to P5 1 PolDir's that the Jalili meeting produced "even less" progress "if that is possible," than his October meeting with Iranian negotiators. In Paris December 1 PolDir's discussed new resolution elements and the French are poised to move quickly on a UNSCR, based on agreed (if weaker) elements, to reassert Security Council requirements. The Security Council could also require a report from DG ElBaradei on completion of the work plan.

¶14. (S) Amano reported that the DG opposed a new UNSCR. In a November 19 discussion, ElBaradei had told Amano that the Secretariat was convinced Iran would discontinue any

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cooperation on the work plan, if the Security Council adopted a new resolution. Rather than moving forward in the Security Council, Amano expected the Secretariat to plead for more time on the work plan. The DG had said it would take four to five weeks but there is no firm deadline and this is, as ever, a moving target.

#### Reining in the DG

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¶15. (S) Ambassador Schulte reported that the DG is planning on going to Tehran in the new year. Like-minded Ambassadors agreed with Amano's assessment that such a visit is inherently "very risky." Australian Ambassador Shannon noted the DG's tendency to speak "loosely" even if the PR is carefully crafted. Shannon and Canadian Ambassador Gervais-Vidricaire also took issue with the triumphalist tone

of the DG's press statements on the NIE, particularly the use of the term "vindication" in his December 5 press conference. Such rhetoric created unrealistic expectations about the capacity of the safeguards system, and Shannon believed we need to "come down hard" on the DG.

SCHULTE